

PRIVILEGED AND CONFIDENTIAL
ATTORNEY WORK PRODUCT

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NEXT, DE-NIC

One of the clearest indications that Philip Morris is not in the business of "selling nicotine" is the effort it made a few years ago to launch the first commercial cigarette composed entirely of tobacco from which virtually all nicotine had been removed. While the initial attempt by Philip Morris to market such a product was not successful, the fact that Philip Morris made this effort demonstrates that it does not believe it is in the "nicotine" business.

The Removal Process. Until recently, no one had the technology for selectively removing nicotine from tobacco. In 1985, Philip Morris acquired General Foods and, with it, certain patented technology which had been used to remove caffeine from coffee. That process involves the use of extremely high pressurized carbon dioxide which, when passed over a plant material, is capable of removing certain selected molecules. Through extensive experimentation, Philip Morris scientists were able to modify the process to remove nicotine from tobacco. Philip Morris applied for and received a patent disclosing this process with respect to nicotine in 1989.

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